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President's message was submitted to Congress to-day. The following is the full text of the document:

To the Senate and House of Representatives:

In submitting my annual message to Congress I have great satisfaction in being able to say that the general conditions affecting the commercial and industrial interests of the United States are in the greatest degree favorable. A comparison of the existing conditions with those of the most favored period in the history of the country will, I believe, show that so high a degree of prosperity and so general a diffusion of the comforts of life were never before enjoyed

The total wealth of the country in 1860 was \$16,169,616,068; in 1890 it amounted to \$62,610,000,000, an increase of 287 per cent. The total mileage of railways in the United States in 1800 was 30,625; in 1890 it was 167,741, an increase of 448 per cent., and it is estimated that there will about four thousand miles of track added by the close of the year 1893. The official turns of the eleventh census and those of the tenth census for seventy-five leading cities furnish the basis for the following comparisons:

In 1880 the capital invested in manufacturing was \$1,232,839,670. In 1890 capital invested in manufactures was \$2,900,735,884. In 1890 the ber of employes was 1,201,388. In 1880 the wages earned were \$501.765.778. 1890 the wages earned were \$1,221,170,454. In 1880 the value of the product was \$2,711,579,899. In 1890 the value of the product was \$4.850,286,837. I am informed by the Superintendent

of the Census that the omission of certain industries in 1880 which were included in 1800 accounts in part for the remarkable increase thus shown. But, after making full allowance for difference of method and deducting the returns for all industries not included in the census of 1889, there remain in the reports from these seventy-five cities an increase in the capital employed of \$1,522,745,694; in the value of the product of \$2,024,236,166; in wages earned of \$677,943,929, and in the of wage earners employed \$56,029. The wage earnings not only show per capita from \$386 in 1880 to \$547 in 1890,

The new industrial plants established since October 6, 180, and up to October 22,1892, as partially reported in the American Economist, number 345, and the ex-tension of existing plants, 103; the new unts to \$10,419,000, and the number of additional employes to

The Textile World for July, 1892, states that during the first six months of the present calendar year 155 new factories built, of which 40 are cotton mills, 48 knitting mills, 25 woollen mills, 15 silk mills, 4 plush mills, and 2 linen mills. Of the 40 cotton mills, 21 have been built in the Southern States. Mr. A. B. Shep-person, of the New York Cotton Exchange, estimates the number of working es in the United States on Sep-r 1, 1892, at 15,200,000, an increase 660,000 over the year 1891. sumption of cotton by American mills In 1891 was 2,396,000 bales, and in 1892 2,584,000 bales, an increase of 188,000 bales. From the year 1889 to 1852, inclusive, there has been an increase in the consumption of cotton in Ecurope of 92 per cent., while during the same period the increased consumption in the United States has been about 150 per cent. The report of Ira Ayer, special agent of the Trea ury Department, shows that at the date of September 30, 1802, there were 32 com-panies manufacturing tin and terne plate in the United States, and 14 companies building new works for such manufac-The estimated investment in buildings and plates at the close of the fiscal year, June 30, 1892, if existing conditions were to be continued, was \$5,000,000, and the estimated rate of production 200,000,600 pounds per annum. The actual producpounds per annum. The actual produc-tion for the quarter ending September 30, 1892, was 10,952,725 pounds.

Commissioner Peck's Report. The report of Labor Commissioner Peck, of New York, shows that during the year 1891, in about 6,009 manufacturing establishments in that State embraced within the special inquiry made by him and representing 67 different industries, there was B. net increase over the year 1890 of \$31,-\$15,129.68 in the value of the product, and of \$6,377,925.09 in the amount of wages paid. The report of the Commissioner of Labor for the State of Massachusetts shows that 3,745 industries in that State paid \$129,416,248 in wages during the year 1891, against \$126,030,505 in 1890, an increase and that there was an increase of \$9,932,490 in the amount of apital, and of 7,646 in the number of persons employed in the same period.

During the last six months of the year 1891 and the first six months of 1892 total production of pig-iron was 9,710,819 tons, as against 9,202,703 tons in the year 1890, which was the largest annual produc-tion ever attained. For the same twelve months of 1891-'92, the production of Besmonths of the seminary of the seminary of 185,710 gross tons over the previously unpracedented yearly production of 3,688,-871 gross tons in 1890. The production of Bessemer steel rails for the first six months of 1892 was 772,436 gross tons, as against 702,080 gross tons during the last

six months of the year 1891.

The total value of our foreign trade (exports and imports of merchandise) dur-ing the last fiscal year was \$1,857,680,610. an increase of \$128,283,604 over the previous fiscal year. The average annual value of our imports and exports of merchandise for the ten fiscal years prior to 1891 was \$1,457,322,019. It will be observed that our foreign trade for 1832 exceeded this annual average value by \$400,358.591, an increase of 27.47 per cent. The significance and value of this increase are shown by the fact that the excess in the trade of 1892 over 1891 was wholly in the value of

exports, for there was a decrease in the value of imports of \$17,513,754. The value of our exports during the fiscal year 1892 reached the highest figure in the history of the Government, amounting to \$3,030,278,148, exceeding by \$145,797,838 the exports of 1891, and exceeding the value of the imports by \$392,875,686. A comparison of the value of our exports for 1892 with the annual average for the ten years prior to 1891 shows an excess of 265,142,651, or of 34.65 per cent. The value of our imports of merchandise for 1892, which was \$829,402,462, also exceed the annual average value of the ten years prior to 1891 by \$135,215,940. During the cal year 1892 the value of imports free of duty amounted to \$457,999,658, the largest aggregate in the history of our commerce. The value of the imports of merchandise entered free of duty in 1892 was 55.35 per cent, of the total value of imports as compared with 43.35 per cent. in 1891, and

23.66 per cent. in 1890. In our coastwise trade a most encouraging development is in progress, there hav-ing been in the last four years an increase of 16 per cent. In internal commerce the prosperity has ever before existed. The freight carried in the coastwise trade of the Great Lakes in 1890 aggregated 28,295,-959 tons. On the Mississippi, Missouri and Ohio rivers and tributaries in the same year the traffic aggregated 29,405,046 tons, and the total vessel tonnage passing through the Detroit river during that year was 21,684,000 tons. The vessel tonnage entered and cleared in the foreign trade of London during 1890 amounted to 13,480,-767 tons, and of Liverpool 10,941,800 tons a total for these two great shipping ports of 24,442,568 tons, only slightly in excess f the vessel tonnage passing through the Detroit river.

And it should be said that the season for the Detroit river was but 228 days. while, of course, in London and Liverpoo the season was for the entire year. essel tonnage passing through the St. Mary's canal for the fiscal year 1892 amounted to 9,828,827 tons, and the freight onnage of the Detroit river is estimated for that year 25,000,000, against 23,209,019 tons in 1891. The aggregate traffic on our railroads for the year 1891 amounted to 04,398,609 tons of freight, compared with 691,344,437 tons in 1890, an increase of

Another indication of the general pros perity of the country is found in the fact that the number of depositors in savings banks increased from 693,870, in 1860 to 4,258,893 in 1990, an increase of 513 per cent., and the amount of deposits from \$149. 7,504 in 1860, to \$1,524,844,506 in 1890, an increase of 921 per cent. In 1891 the amount deposits in savings banks was \$1,623. 079,749. It is estimated that 90 per cent. of these deposits represent the savings of wage-earners. The bank clearances for nine months ending September 30, 1891, amounted to \$41,049,390,808. For the same months in 1892 they amounted to \$45,189,-601,947, an excess for the nine months of \$1,140,211,139. There never has been a time in our history when work was so abundant, or when wages were as high, whether measured by the currency in which they are paid or by their power to supply the necessaries and comforts of life. It is true that the market prices of cotton and wheat have been low.

Condition of the Agriculturalists. It is one of the unfavorable incidents of agriculture that the farmer cannot produce upon orders. He must sow and reap in ignorance of the aggregate produc tion of the year, and is peculiarly subject to the depreciation which follows over production. But, while the fact I have stated is true as to the crops mentioned the general average of prices has been such as to give to agriculture a fair par-ticipation in the general prosperity. The value of our total farm products has increased from \$1,363,646,866 in 1860 to \$4,500. 000,000 in 1891, as estimated by statisticians, ar increase of 230 per cent. The number of hogs January 1, 1891, was 50,623,180, and their value \$210,193,925. On January 1, 1892, the number was 52,398,009 and the value, \$241,031,415. On January 1, 1891, the number of cattle was 26,875,648 and the value \$544,127,908. On January 1, 1892, the number was 37,651,239 and the value, \$570,749,155. If any are discontented with their state here; if any believe that wages or prices, the returns for honest toil, are inadequate, they should not fail to remember that there is no other country in the world where the conditions that seem to them hard would not be accepted as highly pros perous. The English agriculturist would be glad to exchange the returns of his labor for those of the American farmer, and the Manchester workmen their wages for those of their fellows at Fall River I believe that the protective system, which has now for something more than thirty years continuously prevailed in our legislation has been a mighty instrument for the development of our national wealth. And a most powerful agency in protecting the homes of our workingmen from the invasion of want. I have felt a most solicitious interest to preserve working people rates of wages that would give daily bread, but supply a comfortable margin for those home tractions and family comforts and en-joyments without which life is neither hopeful nor sweet. They are American citizens, a part of the great people for whom our Constitution and Government were framed and instituted, and it cannot be a perversion of that Constitution to so legislate as to preserve in their hom the comfort, independence, loyalty and sense of interest in the Government, which are essential to good citizenship in peace, and which will bring this stalwart throng as in 1861 to the defense of the flag when

It is Not My Purpose.

It is not my purpose to renew here the argument in favor of a protective tariff. The result of the recent election must accepted as having introduced a new policy. We must assume that the pres-ent artiff, constructed upon the lines of protection, is to be repealed, and that there is to be substituted for it a tariff law constructed solely with reference to revenue: that no duty is to be higher, be cause the increase will keep open an American mill or keep up the wages of an American workman, but that in every case such a rate of duty is to be imposed as will bring to the Treasury of the United States the largest returns of revenuc. The contention has not been beple, and it would be offensive to sugges that the prevailing party will not carry into legislation the principles advocated by it and the pledges given to the peo-The tariff bills passed by the House of Representatives at the last session were, I suppose, even in the opinion promoters, inadequate and justified only by the fact that a general vision could not, therefore, be under-taken. I recommend that the whole subject of tariff revision be left to the in-coming Congress. It is a matter of regret that this work must be delayed for at least three months; for the threat of great tariff changes introduces so much uncertainty that an amount not easily estimated of business inaction and of diminished production will necessarily result. It is possible also that this un certainty may result in decreased revenus from the customs duties, for our merchants will make cautious orders for foreign goods in view of the prospect of tariff reductions and the uncertainty as

to when they will take effect.

Those who have advocated a protective tariff can well afford to have their disastrous forecasts of a change of policy disappointed. If a system of cus-

toms duties can be framed that will set the idle wheels and looms of Europe in motion and crowd our warehouses with foreign-made goods, and at the same time keep our own mills busy; that will give us an increased participation in the "markets of the world" of greater value than the home market we surrender; that will give increased work to foreign workmen upon products to be consumed by our people without diminishing the amount of work to be done here; that will enable the American manufacturer to pay to his workmen from 50 to a 100 cent, more in wages than is paid in the foreign mill, and yet to compete in our market and foreign markets with the foreign producer, that will further reduce the cost of articles of wear and food without reducing the wages of those who produce them; that can be cele-brated after its effects have been realized as its expectation has been in European as well as in American cities, the outhors and promoters of it will be entitled to the highest praise. had in our history several experiences of the contrasted effects of a revenue and of a protective tariff; but this generation has not felt them, and the experience of one generation is not highly instructive to the next. The friends of the protective system with undiminished confidence in the principles they have advocated will await the results of the experiment. The strained and too often disturbed relations existing between the employes and the rs in our great manufac-establishments have not been able to a calm consideration ployers favorable to a calm by the wage earner of the effect upon wages of the protective system. The fact that his wages were the highest paid in like callings in the world and that a maintenance of this rate of wages, in the absence of protective duties upon the product of his labor was impossible, were obscured by the passion evoked by these contests. He may now be able to rview the question in the light of his personal experience under the operation of a tariff for rvenue only. If that exrates of wages are thereby maintained or increased, either absolutely or in their purchasing power, and that the aggregate volume of work to be done in this country is increased, or even maintained, so that there are more or as many days work in a year at as good or better wages the American workman as has been the case under the protective system, every one will rejoice. A general process of wage reduction cannot be contemplated by any patriotic citizen without the

gravest apprehension. It may be, indeed I believe it is, possible for the American manufacturer to compete successfully with his foreign rival in many branches of production without the defense of protective duties, if the pay-rolls are equalized: but the conflict that stands between the producer and that result and the distress of our working people when it is attained are to contemplate. The pleasant not of the unemployed, holding its frequent and threaten-ing parades in the streets of foreign cities, should not be allowed to ac-

quire an American domicile. Methods of Administration. The reports of the heads of the several executive departments, which are herewith submitte, have very naturally in-cluded a resume of the whole work of the administration with the transactions of the last fiscal year. The attention not only of Congress, but the country, is again invited to the methods of administration which have been pursued, and to the results which have been attained. Public revenues, amounting to \$1,414,679, 292.23, have been collected and disbursed without loss from misappropriation, without a single defalcation of such importance as to attract the public attention diminished per cent. of cost The public business for collection. been transacted not only with fidelity, but progressively, and with a view to giving to the people in the fullest possible the benefits of a service lished and maintained for their protection and comfort.

Our relations with other nations are now undisturbed by any serious contro-versy. The complicated and threatening differences with Germany and England relating to the Samoan affairs, with Eng land in relation to the seal fisheries in the Behring sea and with Chili growing out of the Baltimore affair, have been aded. There have been negotiated concluded, under section 3 of the Tariff law, commercial agreements re lating to reciprocal trade with the fol-lowing countries: Brazi, San Domingo, Republic, Spain and Porto Rico, Guatamala, Salvador, the German Empire, Great Britain, for certain West Indian colonies and British Guinea, Nicaragua, Honduras and Austria-Hungary. OF those with Guatamala, Salvador, the German Empire, Great Britain, Nicaragua, Honduras Austria-Hungary have been concluded since my last annual message. Under these trade arrangements a free or favored admission has been secured in every case for an important list of Amer ican products. Especial care has been to secure markets for farm products, in order to relieve that great underlying industry of the depression which the lack of an adequate foreign market for our surplus often brings. has also been made for manufactured products that will undoubtedly, if policy is maintained, greatly augment our export trade. The full benefits of these arrangements cannot be realized instantly. New lines of trade are to be I. The commercial traveler must the field. The manufacturer must opened. adapt his goods to the new markets and facilities for exchange must be estab lished. This work has been well begun our merchants and manufacturers having entered the new fields with courage and enterprise. In the case of food products, and especially with Cuba trade did not need to wait, and the imme diate results have been most gratifying can be continued in force, and aided h the establishment of American steamship lines, I do not doubt that we shall within a short period secure fully one third of the total trade of the countries Central and South America, which now amounts to about \$600,000,000 nually. In 1885 we had only eight per cent. of this trade. The following statistics show the in-

crease in our trade with the countries with which we have reciprocal trade agreements from the date when agreements went into effect up to September 30, 1892, the increase being in some almost wholly, and in others in an important degree the result of these agree-

The domestic exports to Germany and Austria-Hungary have increased in value from \$47,673,756 to \$57,993,064, an increase of \$10,319,308, or 21.63 per cent. American countries the value of our exports has increased from \$44,160,285 to \$54,613,598, an increase of \$10,453,313 23.67 per cent. The total increase in the value of exports to all the countries with which we have reciprocity agreements has been \$20,772,621.

This increase is chiefly in flour, meat and dairy products and in manufactures of iron and steel and lumber. There has been a large increase in the value of im-ports from all those countries since the commercial agreements went into effect amounting to \$74,294,525, but it has been entirely in imports for the American countries, consisting mostly of sugar, offee, India-rubber and crude drugs. The alarmed attention of our European com-petitors for the South American market has been attracted to the new American policy, and to our acquisition and their loss of South American trade

The Behring Sea Dispute.

A treaty providing for the arbitration of the dispute between Great Britain and the United States as to the killing of seals in Behring sea was concluded on the 29th of February last. This treaty was accompanied by an agreement pro hibiting pelagic sealing pending the arbi-tration, and a vigorous effort was made during this season to drive out all poach ing sealers from the Behring sea. Six naval vessels, three revenue cutters and one vessel from the Fish Commission, all under the command of Commander Evans, of the navy, were sent into the sea, which was systematically patrolled. Some seizures were made, and it is believed that the catch in the Behring

sea by poachers amounted to less than five hundred seals. It is true, however, that in the North Pacific, while the seal herds were on their way to the passes between the Aleutian Islands, a very large number, probably 25,000, were taken. The existing statutes of the United States do not restrain our citizens from taking seals in the Pacific ocean, and perhaps should not, unless the prohibition can be extended to the citizens of other nations. I recommend that power be given to the President by proclamation to prohibit the taking of seais in the North Pacific by American vessels, in case either as the result of the findings of the tribunal of arbitration or otherwise the restraints can be applied to the vessels of all councase of the United States for the tribunal of arbitration has been prepared with great care and industry by the Hon. John W. Foster, and the counsel who represent this Government express confidence that a result substantially establishing our claims and preserving this great industry for the benefit of all nations will be attained.

During the past year a suggestion was received through the British Minister that the Canadian Government would like to confer as to the possibility of enlarging thon terms of mutual advantage, the commercial exchanges of Canada and of the United States, and a conference was held at Washington, with Mr. Blaine acting for this Government and the British Minister at this capital and three members of the Dominion Cabinet commissioners on the part of Great Britain. The conference developed the fact that the Canadian Government was only prepared States, in exchange for the concessions asked, the admission of natural products. The statement was frankly made that favored rates could not be given to the United States as against the mother country. This admission, which was foreseen, necessarily terminated the con-ference upon this question. The benefits of an exchange of natural products would be almost wholly with the people of Canada. Some other topics of interest were considered in the conference, and have resulted in the making of a convention for examining the Alaskan boundary and the waters of Passamaquaddy bay adjacent to Eastport, Me., and in the initiation of an arrangement for the pro-tection of fish life in the Coterminus and neighboring waters of our Northern bor-

Welland canal, which was presented to Congress at the last session by special message, having failed of adjustment, I felt constrained to exercise the authority onferred by the act of July 25, 1892, and to proclaim a suspension of the free use of St. Mary's Falls canal to cargoes in transit to ports in Canada. The Secretary Treasury established such tolls as were thought to be equivalent to the exactions unjustly levied upon our commerce in the Canadian canals.

If as we must suppose the political relations of Canada and the disposition of the Canadian Government are to remain unchanged, a somewhat radical revision of our trade relations should, I think, be made. Our relations must continue to be intimate, and they should be friendly. I regret to say, however, that in many of the controversies, notably those to the fisheries on the Atlantic, the interests on the Pacific and the canal tolls, our negotiations with Great Britain have continuously been thwarted or retarded by unreasonable and unfriendly objections and protests from Canada. In the matter flagrantly disregarded. It is hardly too much to say that the Canadian Pacific and other railway lines, which parallel our Northern boundary, are sustained by commerce having either its origin or terminus, or both in the United States. Canadian railroads compete with these of the United States for our traffic and without the restraints of our Interstate Commerce act. Their cars pass almost without detention into and out of our territory.

The Canadian Pacific railway brough Japan, via Eritish Columbia, during the ear ended June 30, 1892, 23,239,689 pour of freight, and it carried from the United States to be shipped to China and Japan, via British Columbia, 24,068,346 pounds of freight. There were also shipped from the United States over this road from Eastern ports of the United States to our Pacific ports, during the same year, 13,912,073 pounds of freight, and there were received over this road at the United Eastern ports from ports on the Pacific coast, 13 293 315 pounds of freight. Jr., former chief of the Bureau of Statistics, when before the Senate select Committee on Relations with Canada, April 26, 1890, said that "the value of goods thus transported between different points in the United States across Canadian territory probably amounts to \$100,000,000 a year." There is no disposition on the part of the people or Govern ment of the United States to interfere in the smallest degree with the political relations of Canada. That question is wholly with her own people. It is timfor us, however, to consider whether, if the present state of things and their end of things is to continue, our interchange upon lines of land transportation should not be put upon a different basis, and our entire independence of Canadian canals and of the St. Lawrence as an outlet to the sea secured by the construction of an American canal around the Falls of Niagara and the opening of ship communi-cation between the great lakes and one our own seaports. We should not hesitate to avail ourselves of our great matural trade advantages. We should withdraw the support which is given to the railroads and steamship lines of Canada by a traffic that properly belongs to us, and no longer furnish the earnings which lighten the otherwise crushing

weight of the enormous public subsidies that have been given to them.

The subject of the power of the Treasury to deal with this matter without further legislation has been under consideration, but circumstances have poned a conclusion. It is probable that a consideration of the propriety of a modification on abrogation of the article of the treaty of Washington relating to transit of goods in bond is involved in any complete solution of the question.

Our South American Relations. Congress at the last session was kept advised of the progress of the serious, and for a time threatening, differences between the United States and Chili. It gives me now great satisfaction to re-port that the Chilian Government, in a most friendly and honorable spirit, has tendered and paid us an indemnity to the families of the sailors of the Baltimore who were killed and to those who were injured in the outbreak in the city of Valparaiso the sum of \$75,000. This has been accepted, not only as an indemnity for a wrong done, but as a most gratifying evidence that the Government of Chili rightly appreciates the disposi tion of this Government to act in a spirit of the most resolute fairness and frie liness in our intercourse with that brave A further conclusive evidence of the mutual respect and confidence now existing is furnished by the fact that a convention submitting to arbitration the mutual claims of the citizens of the respective Governments has been agreed upon. Some of these claims have been pending for many years, and have been the occasion of much unsatisfactory diplomatic correspondence. I have endeavored in every way to assure our sis-ter republics of Central and South America that the United States Government and its people have only the most friendly disposition toward them all. We do not covet their territory. We have no disposition to be oppressive or exacting in our dealings with any of them, even the weakest. Our interests and our hopes for them all lie in the direction of stable Governments by their people and of the largest development of their great com-

The mutual benefits of enlarged commiliar and friendly intercourse between our people we do desire, and in this have sought their friendly co-operation. I have believed, however, while holding these sentiments in the greatest sincerity, that we must insist upon a just responsibility for any injuries inflicted upon our official representatives or upon our citizens. This insistance, kindly and justly but firmly made, will, I believe, promote peace and

Our relations with Hawaii have been such as to attract an increased interest, and must continue to do so. I deem !t and must continue to do so. I deem it of great importance that the projected submarine cable, a survey of which has been made, should be promoted. Both for naval and commercial uses we should have quick communication with Honolulu. We should before this have availed ourselves of the concession made many years ago to this Government for a harbor and naval station at Pearl river. Many evidences of friendliness of the Hawaiian Government have been given in the past, and it is gratifying to believe the advantage and necessity of a continuance of very close relations is

The friendly act of this Government in expressing to the Government of Italy its reprobation and abhorrence of the lynching of Italian subjects in New Orleans by the payment of 150,000 francs or \$24,-330.90, was accepted by the King of Italy with every manifestation of gracious appreclation, and the incident has been highly promotive of mutual respect and good will.

In consequence of the action of the French Government in proclaiming a protectorate over certain tribal districts of the west coast of Africa, eastward of the San Pedro river, which has long been regarded as the southeastern boundary of Liberia, I have felt constrained to make protest against encroachment upon the territory which was founded by citizens of the United States, and toward which the country has for many years held the intimate relations of a friendly counselor.

The recent disturbances of the public eace by lawless foreign marauders on the Mexican frontier have afforded the Government an opportunity to testify its good-will for Mexico, and its earnest purpose to fulfill the obligations of international friendship by pursuing and dis-persing the evil doers. The work of relocating the boundary of the treaty of

Guadalupe Hidaigo, westward from El Paso, is progressing favorably. Our intercourse with Spain continues on a friendly footing. I regret, however, not to be able to report as yet the adjustment of the claims of the American missionaries arising from the disorders at Ponape, in the Caroline Islands, but I anticipate a satisfactory adjustment in view of renewed and urgent representations to the government at The treatment of the religious and educational establishments of American citizens in Turkey has of late called for more than a usual share of attention. A tendency to curtail the toleration which has so beneficially prevailed is discernible and has called forth the earnest remonstrances of this Government

Harassing regulations in regard to schools and churches have been attempt ed in certain localities, but not without due protest and the assertion of the inherent and conventional rights of our countrymen. Violations of domicile and search of the persons and effects of citizens of the United States by apparently iresponsible officials in the Asiatic villages have from time to time been ported. An aggravated instance of in-jury to the property of an American missionary at Bordeur in the province of Konia called forth an urgent claim or passed mu I 'which, which, is an iteration to say, was brombild heeded by the government of the porte. Interference with the trading ventures of our citizens in Asia-Minor is also rported, and the lack of consular representation in that region is serious drawback to instant and effec-ive protection. I cannot believe that tive protection. these incidents represent a settled policy, and shall not cease to urge the adop tion of proper remedies. International copyright has been extended to Italy by proclamation in conformity with the act of March 3, 1891, upon assurance being given that the Italian law permits to copyright on substantially the same basis as to subjects of Italy. By a spe cial convention, proclaimed January 15, 1892, reciprocal provisions of copyright have been applied between the United States and Germany. Ngotiations are in progress with other countries to the same

I repeat with great earnestness the recommendation which I made in sevadequate support be given to the Amercan company engaged in the tion of the Nicaragua ship canal. impossible to overstate the value from every standpoint of this great enterprise, and I hope that there may be time, even in this Congress, to give to it an impulse that will insure the early comof the canal, and secure the United States in proper relation to it when completed.

The Money Question.

The Congress has been already advised that the invitations of this Government the assembling of an international conference to consider the question of an enlarged use of silver were accepted by the nations to which they were addressed. The conference assembled at Brusels on the 22d of November last, and has tered upon the consideration of this great question. I have not doubted and have taken occasion to express that belief, as well as in the invitations issued for this conference, as in my public messages, that the free coinage of silver upon an agreed international ratio would greatly promote the interests of our peo ple and equally those of other nations. to predict what results It is too early may be accomplished by the conference. If any temporary check or delay intervenes. I believe that very soon com-mercial conditions will compel the now reluctant governments to unite with us in this move ment to secure the enlargement volume of coined money needed for the transaction of the business of the

The report of the Secretary of the Treasury will attract interest in view of the many misleading statements that have been made as to the state of the public revenues. Three preliminary facts should not only be stated, but emphasized, be fore looking into details: First, that the public debt has been reduced since March 4, 1889, \$259,074,200, and the annual interest charge \$11,654,469; second, that there have been paid out for pensions during this administration up to November 1, 1892, \$432,564,178,70, an excess of \$114,495,386.09 over the sum expended during the period from March 1, 1885 to March 1, 1889; and third, under the existing tariff up to December 1st, about \$93,000,000 of revenue which would have been collected upon imported sugars if the duty had been maintained, has gone into the pockets of the people, and not into the public Treasury. fore. If there are any who still think that the surplus should have been kept out of circulation by hoarding it in the Treasury, or deposited in favored banks, without interest, while the Government continued to pay to these very banks interest upon the bonds deposited as security for the deposits, or who think that the extended pension legislation was a public robbery, or that the duties upon sugar should have been maintained, I am content to leave the argument where it now rests, while we wait to see whether these criticisms will take legislation.

The revenues for the fiscal year ending June 30, 1892, from all sources were \$425, and the expenditures for all purposes were \$415,953,806.56, leaving a balof \$99,144,453.66. There were paid during the year upon the public debt \$40,570,-The surplus in the Treasury and the bond redemption fund, passed by the Act of July 14, 1890, to the general furnished in large part the cash available and used for the payments made upon the public debt. Compared with the year 1891, our receipts from customs duties fell off \$42,649,421.08, while our receipts from internal revenue increased \$8,284,823.13, leaving the net loss of revenue from these principal sources \$33,784,417.95. The net loss of revenue from all sources was \$32,-

The revenues, estimated and actual, for the fiscal year ending June 30, 1893, are placed by the Secretary at \$463,336,356,350.44, and the expenditures at \$461,336,350.44, showing a surplus of receipts over ex-penditures of \$2,009,009. The cash balance in the Treasury at the end of the fiscal year, it is estimated, will be \$20,392,377.93. So far as these figures are based upon estimates of receipts and expenditures for the remaining months of the current fiscal year there are not only the usual elements of uncertainty, but some added

elements. New revenue legislation, or even the expectation of it, may seriously reduce the public revenues during the period of uncertainty and during the process of business adjustment to the new conditions when they become known. But the Secretary has very wisely refrained from guessing as to the effect of possible changes in our revenue laws, since the scope of those changes and the time of their taking effect cannot in any degree be forecast or foretold by him. His es-timates must be based upon existing laws, and upon a continuance of existing busiconditions, except so far as these conditions may be affected by causes other than new legislation. The estimated receipts for the fiscal year ending June 39, 1894, are \$490,121,365.38, and the estimated appropriations \$457,251.225.33, leaving an estimated surplus of receipts over expenditures of \$32,860,040.05. This does not This does not include any payment to the sinking fund. In the recommendation of the Secretary that the sinking fund law be repealed, I concur. The redemption of bonds since the passage of the law to June 30, 1862 has already exceeded the requirements by the sum of \$990,510,681.49. The retirement of bonds in the future before maturity should be a matter of convenience, not of compulsion. We should not collect revenue for that purpose, but only use any casual surplus. To the balance, \$2. \$60,030.05, of receipts over expenditures for the year 1894 should be added the entimated surplus at the beginning of the year, \$20,992,377.03, and from this aggregate there must be deducted, as stated by the Secretary, about \$44,000,000 of end mated unexpended appropriations. The public confidence in the purpose and ability of the Government to maintain the parity of all our money issues, whether

coin or paper, must remain unshaken. The demand for gold in Europe and the consequent calls upon us are in a con siderable degree the result of the efforts of some of the European governments to increase their gold reserves, and these efforts should be met by appropriate leg-

islation on our part. The conditions that have created this drain of the Treasury gold are in an important degree political and not commercial. In view of the fact that a gen eral revision of our revenue laws in the near future seems to be probable, it would be better that any changes should be part of that revision rather than of temporary nature. During the last fiscal year the Secretary purchased under the act of July 14, 1890, 51,355,748 ounces of silver, and issued in payment therefore \$31,108,608 in notes. The total purchases since the passage of the act have been 120,830,891 ources, and the aggregate of notes issued \$116,783,590. The average price paid for silver during the year was 94 cents per ounce, the highest price being \$1.02 3-4. July 1, 1891, and the lowest, 83 cents, March 21, 1892. In view of the fact that the monetary conference is now sitting, and that no conclusion has yet been reached, I withhold any mendation as to the legislation upon this

News of the Army.

The report of the Secretary of War brings again to the attention of Congress some important suggestions as to the reorganization of the infantry and artilery arms of the service, which his podecessors have before urgently prescribed. Our army is small, but its organization should all the more be put upon the most approved modern basis. The conditions upon what we have called the "Frontier" have heretofore required the maintenance of many small posts, but now the policy of concentration is obviously the right one. The new posts should have the pro-"Frontiers" we now have, those of the sea-coast and of our Northern and part of our Southern boundary. I do not think that any question of advantage to locali ties or to States should determine the location of the new posts. The reorgani-zation and enlargement of the Bureau of Military Information, which the Secre tary has affected, is a work the useful ness of which will become every year more apparent. The work of building heavy guns and the construction of coast defenses has been well begun, and should be carried on without check. The report of the Attorney-General is by law submitted directly to Congress, but I cannot refrain from saying that he has conducted the increasing work of the Department of Justice with great professional skill. has in several directions secured from courts decisions giving increase tection to the officers of the United States and bringing some classes of crime that escaped local cognizance and punishment into the tribunals of the United States where they could be tried with impartia-

The numerous applications for Executive clemency presented in behalf of persons convicted in the United States courts and given penitentiary sentences have called my attention to a fact referred to by the Attorney-General in his reports, namely, that a time allowance for good behavior for such prisoners is provided by the Federal statutes only where the State, in which the penitentiary is local ted has made no such provision. Prisoners are given the benefits of the provisions of the State law regulating the peniten-tiary to which they may be sent. They are various, some perhaps too liberal and some perhaps too ill-liberal. The result is that sentence for five years means one thing if the prisoner is sent to one State for confinement, and quite a different thing if he is sent to another. I recommend that a uniform credit for good behavlor be prescribed by Congress.

I have before expressed my concurrence in the recommendation of the Attorney-General that degrees of murder should be recognized in the Federal statutes as they are, I believe, in all the States. These grades are founded on correct distinctions in crime. The recognition of them would enable the courts to exercise some discretion in apportioning punishment, and would greatly relieve the Executive of what is coming to be a very heavy burden—the examination of these cases on application for commutation. The aggregate of claims pending against the Government in the court of claims, is enormous. Claims to the amount of nearly \$4,000,000 for the taking of or injury to the property of persons claiming to be loyal during the war are now before that court for examination. When to these are added the Indian depredation claims and the French spoliation claims an aggregate is reached that is indeed startling. In the defense of all these cases the Gov ernment is at great disadvantage. claimants have preserved their evidence, whereas, the officers of the Government are sent into the field to rummage for what they can find. This difficulty is proportionately great where the fact to be stablished is the disloyalty of the claim ant during the war. If this great threat against our revenues is to have no other check certainly Congress should supply the Department of Justice with appropriations sufficiently liberal to secure the best legal talent in the defense of these claims, and to pursue a vague search for evidence effectively.

The Postoffice Department.

The report of the Postmaster-General shows a most gratifying increase, and a most efficient and progressive manage-ment of the great business of that de-

partment. The remarkable increase in revenues, in the number of postoffices and in the miles of mail carriage furnishes further evidence of the high state of prosperity which our people are enjoying. New offices mean new hamlets and towns. new routes mean the extension of our border settlements and increased revenues mean active commerce. The Post-master-General reviews the whole period brings some of his statistics down to the month of November last. The postal month of November last. The prevenues have increased during the year nearly five million. The deficit for the year ending June 30, 1892, is \$848.341 less than the deficiency of the preceding

The deficiency of the present fiscal year. it is estimated, will be reduced to \$1,552,-423, which will not only be extinguished during the next fiscal year, but a surplus of nearly \$1,000,000 should be shown. these calculations the payments to be made under the contracts for ocean mail service have not been included. There have been added 1,500 new mail routes during the year, with a mileage of 5,563 miles, and the total number of new miles